

**PROPOSED AMENDMENTS TO
A-ENGROSSED HOUSE BILL 2668**

1 On page 1 of the printed A-engrossed bill, line 2, after “hemp” insert “;
2 creating new provisions; amending ORS 571.305; and declaring an
3 emergency”.

4 Delete lines 4 through 23 and delete page 2 and insert:

5 **“SECTION 1. ORS 571.305 is amended to read:**

6 “571.305. (1) Industrial hemp production and possession, and commerce in
7 industrial hemp commodities and products, are authorized in this state. In-
8 dustrial hemp is an agricultural product that is subject to regulation by the
9 State Department of Agriculture.

10 “(2) All growers and handlers must have an industrial hemp license issued
11 by the department. Growers and handlers engaged in the production of agri-
12 cultural hemp seed must also have an agricultural hemp seed production
13 permit.

14 “(3) An application for an industrial hemp license or agricultural hemp
15 seed production permit must include:

16 “(a) The name and address of the applicant;

17 “(b) The name and address of the industrial hemp operation of the appli-
18 cant;

19 “(c) The global positioning system coordinates and legal description for
20 the property used for the industrial hemp;

21 “(d) If the industrial hemp license or agricultural hemp seed production
22 permit application is by a grower, information sufficient to establish that the

1 industrial hemp crop of the applicant will be at least 2.5 acres in size; and

2 “(e) Any other information required by the department by rule.

3 **“(4) The department may not issue an industrial hemp license or**
4 **agricultural hemp seed production permit under this section to an**
5 **applicant that has an industrial hemp operation of which any part of**
6 **the premises is located within 1,000 feet of any part of the premises**
7 **of a public elementary or secondary school for which attendance is**
8 **compulsory under ORS 339.020 or of a private or parochial elementary**
9 **or secondary school that teaches children as described in ORS 339.030**
10 **(1)(a).**

11 “[~~4~~] (5) An industrial hemp license or agricultural hemp seed production
12 permit is valid for a three-year term unless revoked and may be renewed as
13 provided by department rule. An industrial hemp license or agricultural
14 hemp seed production permit is a personal privilege that is nontransferable.

15 “[~~5~~] (6) An agricultural hemp seed production permit authorizes a
16 grower or handler to produce and handle agricultural hemp seed for sale to
17 licensed industrial hemp growers and handlers. A seller of agricultural hemp
18 seed shall ensure that the seed complies with any standards set by the Di-
19 rector of Agriculture under ORS 633.511 to 633.750. The department shall
20 make available to growers information that identifies sellers of agricultural
21 hemp seed.

22 “[~~6~~] (7) Subject to department guidelines, a grower may retain seed from
23 each industrial hemp crop to ensure a sufficient supply of seed for that
24 grower for the following year. A grower does not need an agricultural hemp
25 seed production permit in order to retain seed for future planting. Seed re-
26 tained by a grower may not be sold or transferred and does not need to meet
27 the department’s agricultural hemp seed standards.

28 “[~~7~~] (8) Every grower or handler must keep records as required by de-
29 partment rule. Upon not less than three days’ notice, the department may
30 subject the required records to inspection or audit during normal business

1 hours. The department may make an inspection or audit for the purpose of
2 ensuring compliance with:

3 “(a) A provision of this section;

4 “(b) Department rules;

5 “(c) Industrial hemp license or agricultural hemp seed production permit
6 requirements, terms or conditions; or

7 “(d) A final department order directed to the grower’s or handler’s in-
8 dustrial hemp operations or activities.

9 “[8] (9) In addition to any inspection conducted pursuant to ORS 561.275,
10 the department may inspect any industrial hemp crop during the crop’s
11 growth phase and take a representative composite sample for field analysis.
12 If a crop contains an average tetrahydrocannabinol concentration exceeding
13 0.3 percent on a dry weight basis, the department may detain, seize or em-
14 bargo the crop as provided under ORS 561.605 to 561.620.

15 “[9] (10) The department may charge growers and handlers reasonable
16 fees as determined by the department. Moneys from fees charged under this
17 subsection shall be deposited to the Department of Agriculture Service Fund
18 and are continuously appropriated to the department for purposes of carrying
19 out the duties of the department under this section and ORS 571.315.

20 **“SECTION 2. As used in sections 2 to 6 of this 2015 Act, ‘crop,’**
21 **‘grower’ and ‘industrial hemp’ have the meanings given those terms**
22 **in ORS 571.300.**

23 **“SECTION 3. (1)(a) Notwithstanding ORS chapter 183, the State**
24 **Department of Agriculture shall rescind all licenses issued under ORS**
25 **571.305 before the effective date of this 2015 Act that do not comply**
26 **with the requirements of ORS 571.305 as amended by section 1 of this**
27 **2015 Act.**

28 **“(b) The department shall rescind licenses as required by this sub-**
29 **section no later than 30 days after the effective date of this 2015 Act.**

30 **“(2)(a) The department shall issue anew licenses rescinded under**

1 subsection (1) of this section to growers that comply with the re-
2 quirements of ORS 571.305 as amended by section 1 of this 2015 Act.

3 “(b) The department shall waive any applicable licensure fees upon
4 issuing anew a license under this subsection.

5 “(c) The department shall issue anew a license under this sub-
6 section to a grower within 15 days of rescinding the license as required
7 by subsection (1) of this section.

8 “(3) The department shall provide just compensation to a grower
9 that:

10 “(a) Holds an industrial hemp license issued under ORS 571.305;

11 “(b) Is unable to comply with the requirements of ORS 571.305 as
12 amended by section 1 of this 2015 Act;

13 “(c) Was in compliance with the requirements of ORS 571.305 before
14 the effective date of this 2015 Act; and

15 “(d) Has planted industrial hemp plants on or before the effective
16 date of this 2015 Act.

17 “(4) The department shall determine the amount of just compen-
18 sation owed to a grower described in subsection (3) of this section.

19 “(5) The department shall pay the just compensation as determined
20 under subsection (4) of this section from funds available to the de-
21 partment.

22 “SECTION 4. (1) A grower of industrial hemp licensed under ORS
23 571.305 shall permit all the research described in this section to be
24 conducted on the premises of the industrial hemp operation.

25 “(2) The State Department of Agriculture shall coordinate with the
26 College of Agricultural Sciences of Oregon State University to use in-
27 dustrial hemp operations of growers licensed under ORS 571.305 to
28 conduct research in the following areas:

29 “(a) Through the use of hemp plants, safe growing distances be-
30 tween industrial hemp operations and marijuana operations to ensure

1 **purity of crops and reduce the risk of cross-pollination;**
2 **“(b) The feasibility of growing industrial hemp for fiber;**
3 **“(c) The feasibility of growing industrial hemp for seed;**
4 **“(d) The feasibility of processing industrial hemp into hemp ex-**
5 **tracts;**
6 **“(e) The use of water in cultivating industrial hemp; and**
7 **“(f) The tendency of industrial hemp to become feral, including the**
8 **tendency of industrial hemp to persist in a seed bank after harvest and**
9 **to migrate from industrial hemp fields.**
10 **“(3) Research conducted under this section must be conducted for**
11 **a minimum of one industrial hemp growing season.**
12 **“(4) The research shall comply with applicable federal law and reg-**
13 **ulations.**
14 **“(5) On the basis of the research conducted under this section, the**
15 **department shall adopt rules as provided in section 5 of this 2015 Act**
16 **no later than February 1, 2017.**
17 **“SECTION 5. (1) For the purpose of adopting or amending rules**
18 **under ORS 571.300 to 571.315, the State Department of Agriculture shall**
19 **convene a rules advisory committee, as described in ORS 183.333, on**
20 **or before September 1, 2016.**
21 **“(2) The rules advisory committee convened pursuant to this sec-**
22 **tion must include the following nine members:**
23 **“(a) One member who represents a local seed association located in**
24 **southern Oregon;**
25 **“(b) One member who represents a local seed association located in**
26 **central Oregon;**
27 **“(c) One member who represents a local seed association located in**
28 **the Willamette Valley;**
29 **“(d) One member who is a grower licensed under ORS 571.305;**
30 **“(e) One member who is responsible for a marijuana grow site reg-**

1 **istered under ORS 475.304;**

2 **“(f) One member who has been issued a license under section 19,**
3 **chapter 1, Oregon Laws 2015;**

4 **“(g) One member who is a representative of the College of Agricul-**
5 **tural Sciences of Oregon State University;**

6 **“(h) One member who is a representative of the department; and**

7 **“(i) One member who is a representative of the Oregon Liquor**
8 **Control Commission.**

9 **“SECTION 6. Except as provided in section 3 of this 2015 Act, the**
10 **State Department of Agriculture may not issue any licenses under**
11 **ORS 571.305 to growers of industrial hemp until March 1, 2017.**

12 **“SECTION 7. This 2015 Act being necessary for the immediate**
13 **preservation of the public peace, health and safety, an emergency is**
14 **declared to exist, and this 2015 Act takes effect on its passage.”.**

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